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*Counsel for Sears Holdings Corporation and
its debtor affiliates, as debtors and debtors in possession*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

SEARS HOLDINGS CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

**NOTICE OF SECOND INTERIM REPORT OF
ASK LLP FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF
EXPENSES AS COUNSEL TO THE LITIGATION DESIGNEES
FOR THE PERIOD OF MARCH 1, 2021 THROUGH JUNE 30, 2021**

NOTICE IS HEREBY GIVEN that ASK LLP (“ASK”), counsel to the Litigation Designees, which designees were identified pursuant to the Confirmation Order for Sears Holdings Corporation and its affiliated debtors and debtors in possession (collectively, the “Debtors”) has filed its Second Interim Report for Allowance of Contingent Fees and Reimbursement of Expenses for the Period From March 1, 2021 through June 30, 2021, seeking allowance and payment of ASK’s contingent fees in the amount of \$48,165.00 and actual and necessary expenses in the amount of \$23,065.30 (the “Second Interim Report”).

NOTICE IS FURTHER GIVEN by overnight delivery or email where available upon (i) Sears Holdings Corporation, 3333 Beverly Road, Hoffman Estates, Illinois 60179, Attention: Mohsin Y. Meghji (email: mmeghji@miliipartners.com); (ii) counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Sixth Avenue, New York, NY 10153, Attention: Ray C. Schrock (email: ray.schrock@weil.com), Jacqueline Marcus (email: jacqueline.marcus@weil.com), Garrett A. Fail (email: garrett.fail@weil.com), and Sunny Singh (email: sunny.singh@weil.com); (iii) William K. Harrington, the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, NY 10014, Attention: Paul Schwartzberg (e-mail: paul.schwartzberg@usdoj.gov) and Richard Morrissey (e-mail: richard.morrissey@usdoj.gov); (iv) counsel to Bank of America, N.A., Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, NY 10036, Attention: Paul D. Leake (email: paul.leake@skadden.com), Shana A. Elberg (email: shana.elberg@skadden.com) and George R. Howard (email: george.howard@skadden.com); (v) Paul E. Harner, fee examiner, 1675 Broadway, New York, NY 10019 (e-mail: harnerp@ballardspahr.com); and (vi) counsel to the

fee examiner, Ballard Spahr LLP, 1675 Broadway, New York, NY 10019, Attention: Vincent J. Marriott (e-mail: marriott@ballardspahr.com) and Tobey M. Daluz (e-mail: daluzt@ballardspahr.com) (collectively, the “Notice Parties”).

NOTICE IS FURTHER GIVEN that Objections to this Second Interim Report if any, must be filed with the Court and served upon the Notice Parties so as to be received no later than **August 9, 2021** (the “Objection Deadline”), setting forth the nature of the objection and the amount of fees or expenses at issue (an “Objection”). In the event timely objections are filed, a hearing on the Second Interim Report and the objection(s) thereto will be scheduled and further notice of the date and time of such hearing will be provided.

PLEASE TAKE FURTHER NOTICE that, in the absence of any timely objections to the Second Interim Report, ASK shall file a certificate of no objection with the Bankruptcy Court, after which the fees and expenses requested in the Second Interim Report may be allowed by the Bankruptcy Court on an interim basis.

Dated: July 26, 2021

ASK LLP

/s/ Kara E. Casteel

Kara E. Casteel

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**SECOND INTERIM REPORT OF ASK LLP AS SPECIAL
AVOIDANCE COUNSEL FOR THE DEBTORS FOR THE PERIOD
MARCH 1, 2021 THROUGH JUNE 30, 2021**

Name of Applicant:	ASK LLP
Authorized to Provide Professional Services to:	Litigation Designees ³
Date of Retention:	June 26, 2019 nunc pro tunc to April 1, 2019 as to retention as special avoidance action counsel to the Debtors; September 22, 2020 as to retention as counsel to the Litigation Designees for the Jointly Asserted Causes of Action ⁴
Period for which compensation and reimbursement is sought:	March 1, 2021 to June 30, 2021
Amount of compensation sought as actual, reasonable and necessary:	\$48,165.00
Amount of expense reimbursement as actual, reasonable, and necessary:	\$23,065.30

³ Pursuant to the *Order (I) Confirming Modified Second Amended Joint Chapter 11 Plan of Sears Holdings Corporation and Its Affiliated Debtors and (II) Granting Related Relief* (the "Confirmation Order") [D.I. 529], the Litigation Designees shall comprise (a) Patrick J. Bartels, (b) Eugene I. Davis, and (c) Raphael T. Wallander, as the Creditors' Committee's designees, and (x) Alan J. Carr and (y) William L. Transier, as the Debtors' designees, which designees shall become the initial members of the Liquidating Trust Board upon the Effective Date pursuant to Section 10.6(a) of the Plan.

⁴ The Confirmation Order, among other things, granted the Creditors' Committee joint standing with the Debtors to prosecute the Jointly Asserted Causes of Action, subject to the oversight of the Litigation Designees, which designees shall become the initial members of the Liquidating Trust Board upon the effective date of the Plan. The Jointly Asserted Causes of Action are those actions defined in paragraph 17 of the Confirmation Order.

**FEES FOR SERVICES RENDERED
DURING THE COMPENSATION PERIOD**

Exhibit A sets forth a timekeeper summary that includes the respective names, positions, hourly billing rates and aggregate hours spent by each ASK professional and paraprofessional who provided services to the Litigation Designees during the Compensation Period. The rates charged by ASK for services rendered to the Litigation Designees are the same rates that ASK charges generally for professional services rendered to all hourly bankruptcy clients.

Exhibit B sets forth a complete itemization of tasks performed by ASK professionals and paraprofessionals who provided services to the Litigation Designees during the Compensation Period.

**EXPENSES INCURRED
DURING THE COMPENSATION PERIOD**

Exhibit C sets forth a complete itemization of disbursements incurred by ASK in connection with services rendered to the Litigation Designees during the Compensation Period.

Dated: July 26, 2021

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Exhibit A

Timekeeper Summary

Name of Professional	Position	Hourly Billing Rate	Total Hours Billed	Total Compensation
Steinfeld, Joseph	Partner	\$800.00	11.00	\$8,800.00
Casteel, Kara	Partner	\$675.00	32.00	\$21,600.00
Reding, Richard	Partner	\$675.00	22.20	\$13,635.00
Miskowiec, Laurie	Paralegal	\$300.00	5.00	\$1,500.00
Hepola, Jennifer	Paralegal	\$300.00	1.17	\$350.00
Esslinger, Jean	Paralegal	\$300.00	7.60	\$2,280.00

Exhibit B

Itemized Fees

Professional Services

		<u>Hrs/Rate</u>	<u>Amount</u>
3/2/2021	KC Correspondence Emails with defense groups re: status of consolidation motion order	0.10 675.0/hr	67.5
3/3/2021	JE Miscellaneous Signed attorneys up for March 12, 2021 court call.	0.20 300.0/hr	60.0
3/4/2021	JS Correspondence review billing statements and time spreadsheet. Email and Telephone call to client concerning with Bill Murphy on status of payment. Telephone call to client concerning with Kara Casteel	0.50 800.0/hr	400.0
	KC Correspondence Emails with co-counsel concerning subpoenas	0.10 675.0/hr	67.5
3/5/2021	JE Miscellaneous Printed entry from the docket and sent to chambers for a hearing.	0.20 300.0/hr	60.0
	JS Document Review review reply Briefs filed by Non-Insider Shareholder Group and the Prescott Defendants to Plaintiffs Opposition to Motions to Dismiss. Telephone call to client concerning with David Zensky, Kara Casteel and Richard Redding on strategy at oral argument to deal with new arguments raised by Defendants.	1.50 800.0/hr	1,200.0
	RJR Preparation Conference regarding division of oral argument on motion to dismiss hearing	0.50 675.0/hr	337.5

			<u>Hrs/Rate</u>	<u>Amount</u>
3/7/2021	RJR	Preparation Prepare for motion to dismiss hearing by reviewing motions, response, and reply briefs	1.70 675.0/hr	1,147.5
3/8/2021	KC	Correspondence Emails with Bermuda re: subpoena status	0.10 675.0/hr	67.5
3/9/2021	JE	Miscellaneous Compiled documents requested by the court for March 12, 2021 hearing.	1.00 300.0/hr	300.0
	JS	Review Review Briefs filed by Non Insider Defendants and The Horizon, Prescott and Luma Defendants' MOTION TO DISMISS THE COMPLAINT. Review email and notes from Dean Chapman.	2.00 800.0/hr	1,600.0
	KC	Preparation Prepping for oral argument hearing on MTD	3.00 675.0/hr	2,025.0
	RJR	Preparation Prepare for oral argument on motion to dismiss by reviewing all pleadings and outlining responsive arguments	3.90 675.0/hr	2,632.5
	KC	Correspondence Emails with opposing counsel, Court, document service re: binders for oral argument, arranging the same	0.40 675.0/hr	270.0
3/10/2021	JS	Conference Review Emails nd Notes on Reply Brief sent by David Zensky. Prepare for moot court argument and attend moot court argument with Kara Casteel, R. Redding , Dean Chapman and David Zensky.	2.50 800.0/hr	2,000.0
	RJR	Preparation Continue preparation for oral argument on motions to dismiss by reviewing and outlining all relevant caselaw raised in replies	4.20 675.0/hr	2,835.0
	KC	Preparation continuing Preparation and assembly of for oral argument hearing on MTD	3.50 675.0/hr	2,362.5
	KC	Correspondence Emails with Court, co-counsel, internally re: preparing agenda for MTD hearing	0.30 675.0/hr	202.5
	KC	Review Review proposed edits to consolidation order from opposing counsel, emails to opposing counsel concerning the same	0.30 675.0/hr	202.5
	KC	Phone client phone call with co-counsel re: oral argument hearing on MTD	1.20 675.0/hr	810.0
3/11/2021	RJR	Preparation Prepare for oral arguments for motions to dismiss	6.60 675.0/hr	4,455.0

		<u>Hrs/Rate</u>	<u>Amount</u>
3/11/2021	KC Preparation continuing Preparation and assembly of for oral argument hearing on MTD	8.00 675.0/hr	5,400.0
3/12/2021	JS Court Attend Court Hearing on Defendants' Motion to Dismiss. Email and Telephone call to client concerning with Kara Casteel, Richard Redding, Dean Chapman and David Zensky during hearing and post-mortem hearing.	3.00 800.0/hr	2,400.0
	KC Correspondence post-hearing client updates	0.50 675.0/hr	337.5
	RJR Hearing Hearing on motions to dismiss	2.70 675.0/hr	1,822.5
	RJR Conference Communicate with Akin Gump regarding hearing on motions to dismiss	0.60 675.0/hr	405.0
	KC Preparation pre-hearing Preparation and assembly of	0.50 675.0/hr	337.5
	KC Court attend and argue at telephonic MTD hearing	2.50 675.0/hr	1,687.5
3/15/2021	JS Correspondence Review and edit various drafts of letter to Judge Drain on SG's filing at the Supreme Court in Tribune. Numerous emails to and from ASK and Akin on refining the letter.	1.50 800.0/hr	1,200.0
	KC Correspondence Emails and editing re: letter to the Court on SG amicus brief in Tribune	0.50 675.0/hr	337.5
3/16/2021	JE Miscellaneous Updated all dismissal forms to reflect new caption entered by the Court.	0.40 300.0/hr	120.0
	KC Draft Pleading Draft Computershare Inc. and Computershare NA subpoenas re: Lands' End distribution, discussions re service, email notice	2.20 675.0/hr	1,485.0
	KC Correspondence Finalize letter to court, email defense counsel with copy	0.50 675.0/hr	337.5
	KC Phone Opp Atty Phone call with counsel for Bank of Bermuda	0.20 675.0/hr	135.0
3/17/2021	LNP Draft Pleading Prepare, file and serve fourth monthly fee statement.	1.00 300.0/hr	300.0

		<u>Hrs/Rate</u>	<u>Amount</u>
3/17/2021	KC Correspondence Emails to Moritt and Bermuda counsel re: following up on subpoena supplemental response	0.10 675.0/hr	67.5
3/24/2021	KC Correspondence Emails with co-counsel re: response to document sharing stip edits	0.10 675.0/hr	67.5
3/25/2021	KC Correspondence Emails to Moritt re: following up on two subpoena recipients/supplemental info needed	0.10 675.0/hr	67.5
3/26/2021	JH Miscellaneous Prepped service documents to for amended summons, served complaint/summons and filed Proofs of Service with the Court.	0.75 300.0/hr	225.0
	JH Miscellaneous Entered addresses into SOAR and requested Second Summons from Court in order to re-serve complaints.	0.42 300.0/hr	125.0
3/30/2021	KC Correspondence Emails with co-counsel re: response to document sharing stip edits	0.20 675.0/hr	135.0
4/8/2021	KC Preparation Preparing discovery documents sharepoint location for sharing with opposing counsel for State Street; emails concerning same	0.50 675.0/hr	337.5
	KC File Review Foreign service internal discussions	0.30 675.0/hr	202.5
	KC Draft Pleading motion to extend time to serve defendant; review documentation and discussion with co-counsel concerning missing info related thereto	0.70 675.0/hr	472.5
4/9/2021	KC Correspondence emails to Bank of Bermuda counsel and review of discovery concerning the same	0.50 675.0/hr	337.5
	KC Draft Pleading continue drafting second extension of time	0.50 675.0/hr	337.5
4/12/2021	LNP Preparation Finalize and file Motion to Extend Time to Serve Defendant. Prepare list for foreign service.	1.00 300.0/hr	300.0
4/13/2021	LNP Draft Prepare and file 5th Monthly Fee Application	1.00 300.0/hr	300.0
	KC File Review foreign service files review & discussion	0.50 675.0/hr	337.5
4/15/2021	JE Miscellaneous Drafted consolidated second summons for foreign service. Requested second summons on the docket for each of these defendants. Prepared mailing and printed copies of complaint and	5.30 300.0/hr	1,590.0

			<u>Hrs/Rate</u>	<u>Amount</u>
		second summons. Sent out package for foreign service.		
4/26/2021	KC	Correspondence emails re: Bank of Bermuda	0.10 675.0/hr	67.5
	KC	Correspondence Emails re: Computershare discovery	0.10 675.0/hr	67.5
4/27/2021	KC	Correspondence Client report and correspondence concerning case and Bank of Bermuda	0.50 675.0/hr	337.5
	KC	Correspondence Emails to defense group re: ComputerShare discovery	0.10 675.0/hr	67.5
4/28/2021	JE	Miscellaneous Drafted dismissals and withdrawal, filed documents on the docket and updated SOAR.	0.50 300.0/hr	150.0
5/7/2021	KC	Correspondence Emails to conflicts subpoena counsel and file review re: missing addresses & question on foreign address	0.30 675.0/hr	202.5
5/10/2021	KC	Correspondence Emails to conflicts subpoena counsel and re entity address	0.10 675.0/hr	67.5
5/19/2021	LNP	Draft Prepare and File 6th Monthly Fee Application	1.00 300.0/hr	300.0
5/24/2021	KC	Correspondence Email with conflicts counsel about foreign address	0.10 675.0/hr	67.5
6/2/2021	KC	Review File review and emails with co-counsel concerning QIT2	0.20 675.0/hr	135.0
	KC	Correspondence Emails and phone calls with Morgan Lewis and Akin re: foreign defendants and subpoena file access	0.40 675.0/hr	270.0
	KC	Draft Prepare document to send Morgan Lewis re: subpoena document access	0.50 675.0/hr	337.5
	KC	Correspondence Email correspondence with subpoena counsel concerning remaining entity with address issue	0.10 675.0/hr	67.5
6/10/2021	KC	Draft Draft client correspondence concerning QIT2 proposal, emails with co-counsel	0.50 675.0/hr	337.5
6/11/2021	KC	Correspondence Communications with client and opposing counsel concerning QIT2	0.30 675.0/hr	202.5

		<u>Hrs/Rate</u>	<u>Amount</u>
6/15/2021	LNP Draft Draft and file Monthly Fee Application	1.00 300.0/hr	300.0
6/21/2021	KC Phone Opp Atty Discussion with counsel for Blackrock concerning backup info for Exhibit A	0.10	NO CHARGE
	KC Correspondence Emails with QIT2	0.10 675.0/hr	67.5
6/22/2021	KC Phone Opp Atty Phone call with QIT2 counsel and f/u emails with co-counsel	0.30 675.0/hr	202.5
	KC File Review Blackrock defendants- data review of Exhibit A underlying data	0.50 675.0/hr	337.5
6/25/2021	KC Correspondence Emails internally and to opposing counsel and subpoena review concerning Sculptor; file review	0.40 675.0/hr	270.0
	For professional services rendered	<u>77.07</u>	<u>\$48,165.0</u>

Exhibit C

Itemized Expenses

Disbursement Activity	Amount
Computerized Legal Research - Westlaw	\$1,722.10
Photocopies	\$357.60
Postage	\$46.00
Telephone	\$127.40
Court Fees	\$490.00
Service Fees	\$19,884.80
Courier	\$437.40